

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1963 - SB 2162**

March 31, 2009

**SUMMARY OF BILL:** Restricts maximum permanent partial disability claims to one and one-half times the medical impairment rating if an employer verifies the immigration status of the injured employee in the manner directed by the bill. An employer who does not take such steps, would be required to pay a sum of five times the medical impairment rating with a portion dedicated to the employee and the remainder to the Uninsured Employers Fund.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$140,400**

**Increase State Expenditures – Exceeds \$2,600**

Assumptions:

- Approximately 4.38 percent of the population of Tennessee are illegal immigrants based upon U.S. census estimates.
- Approximately 9,000 workers' compensation claims eligible for permanent partial disability benefits annually.
- Approximately 2 percent of such claims are from illegal immigrants (this is less than the 4.38 percent population of immigrants in TN because it is assumed that some of these individuals are not working or would not apply for benefits due to the fear of deportation).
- The provisions of the bill will apply to 180 ( $9,000 \times 2\% = 180$ ) claims each year.
- Ten percent (18) of the 180 claims will result in a finding that an employer did not adequately verify immigration status and is subject to the penalties of the bill.
- The Department of Labor and Workforce Development (LWFD) estimates that each case in which the employer did not adequately verify immigration status will result in a \$7,800 increase in revenue to the general fund due to the collection of increased penalties against the employer. As a result, there is estimated to be a recurring increase in revenue to the general fund of approximately \$140,400 ( $\$7,800 \times 18 = \$140,400$ ).

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- LWFD will require SAVE terminal access. The cost for such access is \$25 per month. The annual increase in state expenditures for this is therefore \$300. The Department also estimates that it will be required to do approximately 9,000 queries each on the system each year to verify immigration status for workers' compensation claims for permanent partial disability. The cost of each query will be at least \$0.25 depending on the type of query required for each case. Therefore, there is estimated to be an increase in state expenditures exceeding \$2,250 ( $9,000 \times \$0.25 = \$2,250$ ). The total increase in recurring state expenditures for costs to LWFD for SAVE access and queries are estimated to exceed approximately \$2,600 ( $\$2,250 + \$300 = \$2,550$ ).
- No additional personnel will be required by LWFD to implement the provisions of the bill.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/cce